



# Memorandum

**TO:** City Council

**FROM:** Mayor Chuck Reed  
Councilmember Sam Liccardo

**SUBJECT:** TAXICAB SERVICE MODEL

**DATE:** October 29, 2007

Approved

Date 11/2/07

## RECOMMENDATION

Approve staff's October 12, 2007 and September 21, 2007 Taxicab Service Model Status Reports and the following recommendations:

1. Proceed with the reallocation of Airport taxicab company permits on January 1, 2008 effective until March 31, 2009. The reallocation of permits will be based upon the percentage of documented taxicab trip data by each company originating within the City of San José, but not obtained through the Airport on demand dispatch system (currently Taxi San José).
2. Future reallocations will occur on an annual basis and be in effect for the period of April 1 thru March 31. The time period to be used for data collection for all subsequent reallocations is the twelve-month period of January 1 to December 31. All airport permit holders are still required to make a minimum of four off airport trips a day (on the days they are not working at the airport) and those trips may originate outside of San José. Only trips that originate in San Jose will count towards the annual airport permit reallocation.
3. San José taxicab companies seeking eligibility for Airport taxicab company permits must meet the minimum requirements of items a, b and c as listed below in order to receive a minimum of 3 company permits effective January 1, 2008. Further, in order to be eligible for the reallocation of permits effective April 1, 2009, all of the following requirements must be met, including item d in order to collect data of off airport trips originating in San José beginning April 1, 2008. If the date of activation of a computer aided dispatch and GPS system occurs after April 1, 2008, only those trips reported after the date of activation will be counted towards the reallocation that is to be effective on April 1, 2009.
  - a. Maintain fleets of fifteen (15) San José licensed taxicab vehicles and fifteen (15) permitted taxicab drivers.
  - b. Twenty-five percent of each companies' trips that originate from the Airport must be in clean air vehicles as defined by Airport rules and regulations.
  - c. Be current on all fees and charges due to the City of San José.
  - d. Utilize a computer aided dispatch and GPS and fleet tracking system to ensure trip reporting accuracy, improve fleet management and customer response in order to qualify for the permit reallocation effective April 1, 2009

Each licensed taxicab company meeting these requirements will receive a minimum annual allocation of three Airport taxicab company permits at each reallocation. The remaining Airport taxicab company permits will be reallocated every year as described in recommendations one and two above.

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4. Utilize the Airport Commission to provide final oversight on implementation of Airport taxicab policy and regulatory matters, including Airport taxicab permit leaseability. Citywide taxicab policy (including transferability) and regulatory matters that extends beyond the Airport and that are beyond staff authority shall remain under the purview of the Transportation and Environment Committee and the City Council until such time as Taxicab Commission is created. Staff is directed to prepare a structure for the taxicab commission, a proposed scope of authority, cost estimates, and a cost recovery mechanism to be brought to the council prior to the priority setting session in February 2008.
5. Defer discussion of taxicab driver and vehicle caps until 2009 once the current reallocation has been completed. This item would be considered only as part of the T&E Committee workplan.

### **BACKGROUND**

In September 2005, the new Taxicab Service Model (TSM) was initiated. Taxi San José began providing dispatch services at the Airport to all 14 San José taxicab companies and the individual drivers with Airport-issued permits affiliated with those companies. The Taxicab Service Model has been in operation for two years and by all accounts has been effective in moving towards the four stated goals of the service model.

1. Enhance Access to the Airport and Improve Service to the City of San José
2. Improve Service to the Customer
3. Balance Equity and Control within the Taxicab Industry (between driver and owner)
4. Maintain an Effective and Efficient City Regulatory and Oversight System

In September 2007, the reallocation of the 105 Airport taxicab company permits was to occur. Staff presented the results of the reallocation to taxicab companies on September 28, 2007, with an effective date of November 1, 2007. Staff presented an overview of the process and results to the T&E Committee and Airport Commission at their respective October 1, 2007 meetings. The feedback focused on trip data reporting, including the difficulty in ensuring the accuracy of the data due to the manual nature of most taxicab company data systems. Finally, the inclusion of trip data from outside of San José in the reallocation method does not target the goal of serving the City of San José as closely as it could if only trips originating in San José were counted.

The Airport Commission recommended deferring the reallocation until May 1, 2008. The deferral was to provide additional time for small companies to improve data systems and further develop off-Airport businesses.

Upon further review of the methodology used for the reallocation of permits, it was brought to the Mayor and Council's attention that trips that did not originate in San Jose were being counted towards the minimum of off airport trips required by the service model. These trips were being counted despite the fact that it did not contribute to the ultimate goal of the service model; to improve taxicab service within the City of San José. Therefore, it is recommended to subtract those trips whose origins are not within the City of San José and modify the requirements of the service model in order to ensure accurate trip reporting data in future reallocations.

### **PERMIT MINIMUMS**

Offering a minimum number of Airport taxicab company permits will serve as an incentive for companies to meet the eligibility requirements and to develop the industry tools to further build their dispatch business. In addition, providing permit minimums will allow sufficient time for companies to sustain themselves while developing GPS and fleet tracking systems in order to qualify for the permit reallocation effective April 1, 2009. Lastly, providing a minimum number of permits will foster competition and ensure all taxicab companies have access to the airport so long as they meet minimum requirements.